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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
LEXINGTON PRECISION CORP., et al., : **Case No. 08-11153 (SCC)**
Debtors. : **(Jointly Administered)**
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**NOTICE OF PRESENTMENT OF
STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS AND
LIQUIDITY SOLUTIONS, INC RESOLVING CERTAIN PROOFS OF CLAIM**

PLEASE TAKE NOTICE that Lexington Precision Corporation and its wholly owned subsidiary, Lexington Rubber Group, Inc. (together, the “**Debtors**”), as debtors and debtors in possession in the above-captioned chapter 11 cases, will present the attached proposed stipulation and order (the “**Stipulation and Order**”) resolving certain claims of Liquidity Solutions, Inc., to the Honorable Shelley C. Chapman, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York (“**Bankruptcy Court**”), Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, for signature on **Friday, July 30, 2010 at 12:00 p.m. (EDT)**.

PLEASE TAKE FURTHER NOTICE that copies of the Stipulation and Order are available for free at <http://chapter11.epiqsystems.com/lexington>, and for a fee at the Court’s

website at www.nysb.uscourts.gov. Note that a PACER (www.pacer.psc.uscourts.gov) password and login are needed to access documents on the Court's website (www.nysb.uscourts.gov).

PLEASE TAKE FURTHER NOTICE that any objections or responses to the Stipulation and Order, if any, must (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules for the Bankruptcy Court; and (c) set forth the name of the objecting party, the basis for the objection, and specific grounds therefore.

PLEASE TAKE FURTHER NOTICE that all objections and responses must be filed with the Bankruptcy Court no later than **Thursday, July 29, 2010 at 12:00 p.m. (EDT)** (the "**Objection Deadline**"). In accordance with General Order M-242, registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. General Order M-242 may be found at www.nysb.uscourts.gov. All other parties-in-interest must file their objections and responses on a 3.5 inch disk (preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format) and deliver a hard copy directly to the chambers of Judge Shelley C. Chapman.

PLEASE TAKE FURTHER NOTICE that all objections and responses must be served, so as to be received no later than the Objection Deadline, upon: (i) the Debtors, Lexington Precision Corporation, 800 Third Ave., 15th Floor, New York, New York 10023 (Attn: Michael A. Lubin); (ii) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 1300 I Street, N.W., Suite 900, Washington, D.C. 20005 (Attn: Adam P. Strochak), and 767 Fifth Avenue, New York, New York 10153 (Attn: Victoria Vron); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul K. Schwartzberg); (iv) the attorneys for the Debtors' prepetition lenders, Waller, Lansden, Dortch & Davis LLP, 511 Union Street, Suite 2700, Nashville, Tennessee

37219 (Attn: John C. Tishler); (v) the attorneys for the statutory committee of unsecured creditors, Andrews Kurth LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Paul N. Silverstein and Jonathan I. Levine); and (vi) the attorneys for Debtors' postpetition lenders, O'Melveny & Meyers, LLP, Times Square Tower, 7 Times Square, New York, New York 10036 (Attn: Gerald Bender); and (vii) the attorneys for the plan investor, Jones Day LLP, 222 East 41st, New York, New York (Attn: Lisa G. Laukitis).

Dated: July 22, 2010
New York, New York

/s/ Adam P. Strochak

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
LEXINGTON PRECISION CORP., <u>et al.</u>,	:	Case No. 08-11153 (SCC)
Debtors.	:	(Jointly Administered)
	:	

**STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS AND
LIQUIDITY SOLUTIONS, INC RESOLVING CERTAIN PROOFS OF CLAIM**

Lexington Precision Corporation (“LPC”) and its affiliated debtor subsidiary, Lexington Rubber Group, Inc. (“LRGI” and together with LPC, the “Debtors”), respectfully submit this Stipulation and Agreed Order (“Stipulation and Order”).

RECITALS

A. On April 1, 2008, the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) before the United States Bankruptcy Court for the Southern District of New York (the “Court”).

B. On June 13, 2008, the Debtors filed their schedules of assets and liabilities. By that certain order, dated June 30, 2010 the Court established September 15, 2008 as the deadline to file proofs of claim in these chapter 11 cases.

C. Throughout the chapter 11 cases, Liquidity Solutions, Inc. (“LSI” and

together with the Debtors, the “**Parties**”) purchased the claims (collectively, the “**LSI Claims**”)¹ from the parties (collectively, the “**Original Holders**”) as set forth on Exhibit 1 attached hereto.

D. To resolve the LSI Claims, the Parties have negotiated this Stipulation and Order in good faith and at arms’ length and desire that it be binding on each of them.

STIPULATION AND ORDER

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the Parties that:

1. Upon entry of this Order, the LSI Claims shall be ALLOWED in the amounts and in the priority status as set forth on Exhibit 2 (collectively, the “**Allowed LSI Claims**”).
2. The Allowed LSI Claims shall not be subject to further reduction, offset, setoff, reclassification or disallowance pursuant to 11 U.S.C. § 502(d) or otherwise.
3. Other than payment on account of the Allowed LSI Claims in the manner set forth under the *Debtors’ Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Modified*, dated May 26, 2010 (the “**Plan**”), LSI shall have no further rights of payment from the Debtors or reorganized Debtors with respect to the LSI Claims.
4. As long as (i) the Allowed LSI Claims are granted the treatment set forth on Exhibit 2 and (ii) the distribution scheme for such Allowed LSI Claims remains unchanged under the Plan, LSI shall not put any Allowed LSI Claims back to the Original Holders of such claims nor seek to recover any monies or amounts from such Original Holders on account of such claims.
5. Epiq Bankruptcy Solutions, LLC, as the court-appointed claims and

¹ For the avoidance of doubt, this Stipulation and Order shall have no effect on the claim of Wacker Chemical Corp. (claim number 246) now owned by an entity affiliated with LSI.

noticing agent in these chapter 11 cases, is authorized and directed to update the official claims register to reflect the allowance of claims set forth herein and take any further actions related to the relief granted herein.

6. Choice of Law. This Stipulation and Order shall be governed, in all respects, by the laws of the State of New York, irrespective of its choice of law rules.

7. Authority. Each of the Parties hereby expressly represents and warrants that, subject to approval by the Court and entry of this Stipulation and Order as an order of the Court, it has the requisite power, authority, and legal capacity to enter into and execute this Stipulation and Order.

8. Complete Agreement. This Stipulation and Order is the entire agreement between the Parties with respect to the subject matter of this Stipulation and Order. All representations, warranties, inducements, and/or statements of intention made by the Parties are embodied in this Stipulation and Order, and no party hereto relied upon, shall be bound by, or shall be liable for any alleged representation, warranty, inducement, or statement of intention that is not expressly set forth in this Stipulation and Order.

9. Modifications. No modification, amendment or waiver of any of the terms or provisions of this Stipulation and Order shall bind any Party unless such modification, amendment or waiver is in writing, has been approved by the Court, and has been executed by a duly authorized representative of the Party against whom such modification, amendment or waiver is sought to be enforced.

10. Counterparts. This Stipulation and Order may be executed in any number of counterparts, and all such counterparts, taken together, shall be deemed to constitute one and the same instrument.

11. Drafting and Construction. The Parties acknowledge that this Stipulation and Order is the joint work product of all of the Parties, and that, accordingly, in the event of ambiguities in this Stipulation and Order, no inferences shall be drawn against any Party on the basis of authorship of this Stipulation and Order.

12. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction over any and all disputes arising out of or otherwise relating to this Stipulation and Order.

13. Binding Effect. This Stipulation and Order shall be binding on the Parties from the date of its execution, but is expressly subject to and contingent upon its approval by the Court. If the Court does not approve this Stipulation and Order, this Stipulation and Order shall be null and void.

/s/ Adam P. Strochak

Richard P. Krasnow
Adam P. Strochak

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Telephone: (212) 310-8000
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Attorneys for Debtors
and Debtors in Possession

IT IS SO ORDERED.

Dated: New York, New York
July ___, 2010

/s/ Norman D. Schoenfeld

Norman D. Schoenfeld

LIQUIDITY SOLUTIONS, INC.
One University Plaza, Suite 312
Hackensack, New Jersey 07601
Telephone: (201) 968-0001 Ext. 126
Facsimile: (201) 968-0010

HONORABLE SHELLY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Asserted LSI Claims

Claim No.	Transferor	Debtor	Asserted 503(b)(9) Claim Amount	Asserted Priority Claim Amount	Asserted Unsecured Claim Amount	Asserted Total Claim Amount
53	Associated Spring Barnes	LPC			\$14,850.00	\$14,850.00
Scheduled	Boulter Industrial	LPC			\$17,427.00	\$17,427.00
200	Earle M. Jorgensen Co	LPC	\$141,945.02		\$6,878.78	\$148,823.80
243	H&C Tools Supply Corp.	LPC	\$5,666.61		\$12,274.35	\$17,940.96
196	J. Grippe Industrial Supply	LPC	\$1,495.54		\$1,108.46	\$2,604.00
199	JTI	LPC			\$467.50	\$467.50
49	Osborn International	LPC			\$4,433.29	\$4,433.29
198	Signature Aluminum	LPC		\$38,383.94	\$69,866.58	\$108,250.52
259	SMC Metal	LPC	\$220.00		\$180.00	\$400.00
Scheduled	Uline Inc	LPC			\$426.71	\$426.71
Total			\$149,327.17	\$38,383.94	\$127,912.67	\$315,623.78
271	Alpha Technologies Services	LRGI			\$1,315.00	\$1,315.00
195	Astrodyne Corp	LRGI			\$546.65	\$546.65
201	Bertelkamp Automotive	LRGI		\$1,158.24		\$1,158.24
227	Chemetall Oakite Products	LRGI	\$476.84		\$5,630.22	\$6,107.06
280	China Auto Group	LRGI	\$32,657.50		\$7,610.00	\$40,267.50
228	CMI-Specialty Systems	LRGI	\$1,961.70			\$1,961.70
203	Container Service	LRGI			\$6,694.10	\$6,694.10
241	Cunningham Supply Co	LRGI	\$566.50		\$1,065.14	\$1,631.64
197	Dispersion Technology Inc.	LRGI	\$338.45		\$15,397.94	\$15,736.39
229	Graybar	LRGI	\$357.12		\$3,845.93	\$4,203.05
202	Kenco Toyata Lift	LRGI			\$6,918.57	\$6,918.57
242	Lakewood Automation Inc.	LRGI	\$1,175.12		\$28,733.58	\$29,908.70
100	M H Equipment	LRGI			\$1,107.74	\$1,107.74
Scheduled	MC Schroeder Company	LRGI			\$12,198.48	\$12,198.48
272	Piedmont Plastics	LRGI	\$2,633.78		\$13,566.79	\$16,200.57
257	Preferred Acquisition Co	LRGI			\$7,970.00	\$7,970.00
274	Preferred Rubber	LRGI	\$14,246.95		\$26,865.28	\$41,112.23
193	Rondy & Co., Inc.	LRGI			\$3,903.90	\$3,903.90
226	S&S	LRGI	\$1,045.28		\$3,658.48	\$4,703.76
273	Schoen Insulation SVS	LRGI			\$1,785.90	\$1,785.90
194	Signa Stortech	LRGI			\$1,231.84	\$1,231.84
260	Solar Atmosphere Inc	LRGI	\$3,950.00		\$10,010.00	\$13,960.00
258	Tech Pro	LRGI			\$3,185.89	\$3,185.89
Scheduled	Uline Inc	LRGI			\$9,220.82	\$9,220.82
Total			\$59,409.24	\$1,158.24	\$172,462.25	\$233,029.73
Grand Total			\$208,736.41	\$39,542.18	\$300,374.92	\$548,653.51

Exhibit 2

Allowed LSI Claims

Claim No.	Transferor	Debtor	Allowed 503(b)(9) Claim Amount	Allowed Unsecured Claim Amount	Total Allowed Claim Amount
Scheduled 200	Boulter Industrial	LPC		\$17,427.00	\$17,427.00
229	Earle M Jorgensen Co	LPC	\$142,344.62	\$6,479.18	\$148,823.80
243	Graybar	LPC	\$357.12	\$3,845.93	\$4,203.05
196	H & C Tools Supply Corp	LPC	\$6,221.71	\$11,063.79	\$17,285.50
199	J. Grippe Industrial Supply	LPC	\$1,215.28	\$1,108.46	\$2,323.74
8/198	JTI	LPC		\$467.50	\$467.50
259	Signature Aluminum Canada	LPC	\$38,383.94	\$69,866.58	\$108,250.52
Scheduled	SMC Metal	LPC	\$220.00	\$180.00	\$400.00
	Uline Inc	LPC		\$426.71	\$426.71
Total			\$188,742.67	\$110,865.15	\$299,607.82
271	Alpha Technologies Services	LRGI		\$1,315.00	\$1,315.00
53	Associated Spring Barnes	LRGI	\$170.69	\$14,850.00	\$15,020.69
195	Astrodyne Corp	LRGI		\$546.65	\$546.65
201	Bertelkamp Automotive	LRGI	\$1,158.24		\$1,158.24
119/227	Chemetall Oakite Products	LRGI	\$476.84	\$5,630.22	\$6,107.06
280	China Auto Group	LRGI	\$32,657.50	\$7,160.00	\$39,817.50
228	CMI-Specialty Systems	LRGI		\$1,961.70	\$1,961.70
203	Container Service	LRGI		\$6,694.10	\$6,694.10
241	Cunningham Supply CO	LRGI	\$566.50	\$1,065.14	\$1,631.64
197	Dispersion Technology Inc	LRGI		\$15,397.94	\$15,397.94
202	Kenco Toyota Lift	LRGI		\$6,156.57	\$6,156.57
242	Lakewood Automation Inc	LRGI	\$2,991.39	\$25,261.75	\$28,253.14
54 / 100	M H Equipment	LRGI		\$1,107.74	\$1,107.74
Scheduled	MC Schroeder Company	LRGI		\$12,198.48	\$12,198.48
49	Osborn International	LRGI	\$3,017.32	\$1,415.97	\$4,433.29
272	Piedmont Plastics	LRGI	\$2,633.78	\$13,566.79	\$16,200.57
257	Preferred Acquisition Co	LRGI		\$7,970.00	\$7,970.00
274/182	Preferred Rubber	LRGI	\$14,246.95	\$26,865.28	\$41,112.23
193	Rondy & Co Inc	LRGI		\$3,903.90	\$3,903.90
226	S&S Inc	LRGI	\$1,045.28	\$3,658.48	\$4,703.76
273	Schoen Insulation SVS	LRGI		\$1,785.90	\$1,785.90
194	Signa Stortech	LRGI		\$246.00	\$246.00
260	Solar Atmospheres Inc	LRGI	\$3,750.00	\$9,785.00	\$13,535.00
258	Tech Pro Inc	LRGI		\$3,185.89	\$3,185.89
Scheduled	Uline Inc	LRGI	\$7,359.09	\$3,658.53	\$11,017.62
Total			\$70,073.58	\$175,387.03	\$245,460.61
Grand Total			\$258,816.25	\$286,252.18	\$545,068.43